

## CHAPTER XV

### MODERN ECONOMICS

WEALTH Is a means of procuring the satisfaction of impulses ; and it may be defined as potential satisfactions that are embodied in a material form, and are therefore capable of being transferred from hand to hand, and of being pledged as security for a loan. Immense is the importance of this last quality. For our economic system is based upon credit—that is to say, upon the anticipation of future receipts. The manufacturer pays his workmen because he expects to sell the things that they make : his capital may be provided by borrowing upon the security of his buildings, machinery and stock of unsold goods ; the merchant raises money wherewith to continue his business by hypothecating his consignments before they are delivered. Money itself may indeed be considered as a form of credit that is insured against failure by its intrinsic value. A sovereign is of use to us because it represents a sovereign's worth of future satisfactions. It is true that money may be borrowed upon security that is not material ; a tradesman may borrow upon the goodwill of his business, an artist may obtain credit upon the money value of his talents. But security is imperfect unless it is represented by a thing that can be transferred from hand to hand before it is finally appropriated. The pawnbroker is the